GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3031
ANSWERED ON:20.12.2004
ASSISTANCE FOR SUGAR MILLS
Barad Shri Jashubhai Dhanabhai;Khanna Shri Avinash Rai;Narhire Smt. Kalpana Ramesh

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Union Government has constituted National Co-operative Development Corporation (NCDC) and Sugar Development Fund to help the sugarcane growers and sick sugar mills in the country;

(b) if so, the nature of assistance being provided by this Corporation and Fund;

(c) the annual budget provided for this purpose; and

(d) the details of the sugar mills that benefited from this Corporation and Fund; State-wise?

Answer

Minister of Agriculture and Minister of Consumer Affairs, Food & Public Distribution (SHRI SHARAD PAWAR)

(a) & (b): The constitution of the National Co-operative Development Corporation (NCDC) and Sugar Development Fund (SDF) as also the nature of assistance being provided by them are attached at Annexure-I and Annexure-II respectively.

(c): For the year 2004-2005, an amount of Rs.150.00 crores has been proposed for assisting sugar cooperatives by the National Co-operative Development Corporation under various schemes. Similarly during the same period an amount of Rs.952.5 crores has been provided for assisting sugar units under various schemes in Sugar Development Fund.

(d): A statement indicating the details of the sugar mills that benefited from the Corporation and the SDF is attached at Annexure-III and IV respectively.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF LOK SABHA UNSTARRED QUESTION NO.3031 DUE FOR ANSWER ON 20.12.2004

A. NATIONAL COOPERATIVE DEVELOPMENT CORPORATION

The National Cooperative Development Corporation, a Statutory Organization, has been set up under an Act of Parliament and is basically a promotional organization engaged in development of agricultural production, supply of agricultural inputs, marketing, storage and processing in the cooperative sector and thus, supports the country`s efforts in augmenting farm production, to the ultimate benefit of farmers and other rural population.

Among others, NCDC has been promoting the setting up of cooperative sugar mills and provides investment loan to the State Government towards equity participation in these mills as also term loan for modernization-cum-expansion and diversification projects of existing cooperative sugar mills with a view to provide the benefit of value addition through creation of above facilities to sugarcane growers.

With regard to assisting sick sugar mills, the Corporation has posed a scheme for extending financial assistance towards rehabilitation of sick cooperative sugar mills in the country which is yet to be approved by Cabinet Committee on Economic Affairs.

Among others, NCDC has been promoting establishment and development of sugar factories in the cooperative sector. The details of various schemes are indicated below:-

(i) Investment loan assistance to the State Governments to supplement their resources for equity participation in new cooperative sugar mills.

(ii) Term loan assistance to the existing cooperative sugar mills for modernization/expansion.

(iii) Term loan assistance for establishment of sugar by-product units.

(iv) Margin Money assistance to the existing cooperative sugar mills.

(v) Short/Medium term loan towards working capital requirements of cooperative sugar mills.

ANNEXURE-II

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF LOK SABHA UNSTARRED QUESTION NO.3031 DUE FOR ANSWER ON 20.12.2004

SUGAR DEVELOPMENT FUND

1. Under the Sugar Cess Act, 1982, a cess of Rs.14.00 per quintal is being collected on all sugar produced by any sugar factory in India.

The Sugar Development Fund Act, 1982, provides that an amount equivalent to the proceeds of the duty of excise levied and collected under the Sugar Cess Act, 1982 reduced by the cost of collection as determined by the Central Government, together with any money received by the Central Government for the purpose of this Act, shall after due appropriation made by Parliament by law, be credited to the Sugar Development Fund.

2. Under the Sugar Development Fund Act, the Fund has to be utilized by the Government of India for the following:-

1. Making loans for facilitating the rehabilitation and modernization of any sugar factory or any unit thereof including potentially viable sugar undertaking.

2. Making loans for the undertaking of any scheme for development of sugarcane in the area in which any sugar factory is situated, including to a potentially viable sugar undertaking.

3. Making grants for the purpose of carrying out any research project aimed at the promotion and development of any aspect of Sugar Industry.

4. Defraying expenditure on internal transport and freight charges on export shipment of sugar.

5. Making loans to any Sugar Factory having an installed capacity of 2500 Tones Crushed Per Day or higher and is approved for financial assistance from a Financial Institution or Scheduled Bank for it to implement a project of bagasse-based co-generation of power.

6. Making loans for production of anhydrous alcohol or ethanol from alcohol or molasses.

7. Defraying expenditure for the purpose of building up and maintenance of Buffer Stock with a view to stabilizing price of sugar.

8. Defraying any other expenditure for the purpose of the Act.

ANNEXURE-III

STATEMENT REFERRED TO IN REPLY TO PART (d) OF LOK SABHA UNSTARRED QUESTION NO.3031 DUE FOR ANSWER ON 20.12.2004

STATEMENT AND ACTIVITY-WISE NO. OF COOPERATIVE SUGAR MILLS BENEFITED WITH NCDC`S ASSISTANCE.

S. No.	Name of State	Investment for equity	loan Modernisation Expansion	By Product Units	Rehabilitation against SD	Bridge loan	Working Capital loan	Total
1	Andhra Pradesh	11	2	- -	1	-		14
2	Assam	1	-	- 1	-	-		2
3	Chhatisgarh	1	-	- -	-	-		1
4	Goa	-	1	- -	1			1
5	Gujarat	11	4	1 4	-	2		22
6	Haryana	8	2	1 2	-	-		13
7	Kerala	1	1	- -	-			2
8	Karnataka	23	7	- -	-	-		30
9	Madhya Pradesh	4	-	- 1	-	-		5
10	Maharashtra	113	16	16 1	2	1		149
11	Orissa	2	1	1 1	-	-		5
12	Punjab	11	5	2 -	-	-		18
13	Rajasthan	-	-	1 -	-	-		1
14	Tamil Nadu	8	5	7 1	-	13		34
15	Uttar Pradesh	25	14	5 4	-	-		48
16	Uttaranchal	3	3	- -	-		6	
17	DNH	1	-	- -	-	1		
	Total	222	60	34 17	3	16		352

ANNEXURE-IV

STATEMENT REFERRED TO IN REPLY TO PART (d) OF LOK SABHA UNSTARRED QUESTION NO.3031 DUE FOR ANSWER ON 20.12.2004

STATEMENT SHOWING POSITION OF SANCTION & DISBURSEMENT OF LOAN FROM SUGAR DEVELOPMENT FUND FOR MODERNISATION/REHABILITATION, SUGARCANE DEVELOPMENT, CO-GENERATION AND ETHANOL.

AS ON 15.12.2004

	Loan for Modernisation Rehabilitation	Loan for Cane Development	Loan for bagasse based Co-generation	Loan for Ethanol from Alcohol or Molasses	Total
	No. of loan cases	No.of loancases	No. of loan cases	No. of loan cases	No. of loan cases
STATES					
1. Andhra Pradesh	15	65	1		81
2. Assam	-	3			3
3. Bihar	17	20			37
4. Gujarat	10	15			25
5. Karnataka	15	45	3		63
6. Kerala	-	1			1
7 Madhya Pradesh	4	14			18
8. Maharashtra	66	230			296
9. Punjab	6	23			29

10. Tamil Nadu	13	68	3		84
11. Uttar Pradesh	95	171	3	1	270
12. Orissa	1	9			10
13. Goa	-	1			1
14. Haryana	4	30			34
15. West Bengal	-	1			1
16. Pondicherry	-	2			2
17. Rajasthan	-	2			2
18. Uttaranchal	1	4			5
Total	247	704	10	1	962